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SUBJECT: US-IRAN; VISIT OF CARLOS VALDERRAMA, EXPERT ON INVESTMENT
STRATEGIES, TO ARGENTINA; ARGENTINA-VENEZUELA 09/01/06; BUENOS
AIRES

1. SUMMARY STATEMENT

Today's leading international stories include Iranian President Mahmud Ahmadinejad disregarding UN ultimatum and maintaining he will further his nuclear plans; US President Bush's reaction to Iran's challenging response; and Argentine First Lady Cristina Kirchner's praising statements of Argentine-Venezuelan integration.

Conservative "La Prensa", business-financials "Ambito Financiero," "El Cronista," and "InfoBae" report on the visit of US expert Carlos Valderrama, expert on investment strategies, to Argentina.

2. OPINION PIECES AND KEY STORIES

- "The US seeks to speed up sanctions on Iran"

Daily-of-record "La Nacion" reports (09/01) "In his toughest speech against Iran, US President George W. Bush warned that Iran will have to pay the consequences for having challenged the world with its nuclear program.

"Bush said 'Iran should face consequences for its challenge. We cannot let it manufacture nuclear weapons.' Bush suggested the need for imposing sanctions for Tehran's lack of compliance with UN Security Council Resolution 1696. In the same sense, the spokesperson of the US Department of State, Sean McCormack, said that the US wishes the UN Security Council to take measures 'in a very short term.'

"... Bush featured the Iranian government as a regime that is determined to obtain the nuclear bomb and that supports Hezbollah in Lebanon and the insurgency in Iraq...

"The US President did not go into detail regarding what the 'consequences' would be for Iran's lack of compliance, and he never mentioned any military action, but he pointed out that the US will continue seeking a diplomatic solution to the conflict. However, some of the measures considered by diplomats to punish Tehran include banning Iranian leaders' international trips and restricting Iran's access to the world financial market."

- "Mirrors"

Marcelo Cantelmi, international editor of leading "Clarín," writes (09/01) "According to some macabre joke, one day we will find out that George W. Bush and Mahmoud Ahmadinejad were secret allies. This is why all the wars launched by the White House against its elusive terrorist enemies have done nothing but strengthen Tehran, which has become a crucial regional power and owner of the initiative.

"The two of them have a fundamentalist nature, explosive speeches and urgency to strengthen their domestic support. This is why, yesterday Bush took his counterpart's challenge to start his campaign for crucial November legislative elections by stirring the ghost of an enemy... He needs to draw a gigantic enemy, which is as big as the election abyss that seems to be waiting for him. Iran will surely give him a hand in doing so."

- "A limited political strategy that has not put a brake on Tehran"

Claudio Mario Alilscioni, columnist of leading "Clarín," writes (09/01) "The Iranian refusal to stop its nuclear program is not surprising. The really astonishing thing, instead, is the way the US has attempted to dismantle said plan."

"... Iran has managed to push deadlines to the limit and it is on the verge of placing Washington in the uncomfortable place of impotence."

"... While the White House's strategy is stating that it bets on diplomacy, several signs indicate the opposite direction. Shortly ago, the US media reported that the White House took Lebanon as an advance of a possible attack on Iran..."

"... Certainly, no one dismisses a violent change in the current direction of things, only some months away from November legislative elections and now that George W. Bush's image is today at a low point. Only a few in Washington bet on a direct dialogue with Tehran."

- "California will plead for Argentine preferences"

Conservative "La Prensa" reports (09/01) "According to Carlos Valderrama, a US expert in investment strategies for municipalities and a member of the Los Angeles Chamber of Commerce Board, who was invited by the US Embassy to come to Buenos Aires, the eventual GSP

review not only worries Argentina, but also some US districts, which will attempt to prevent the White House from performing said review."

"Valderrama said 'it would not be a good idea that the USG changes the GSP for any country.' Valderrama acknowledged that Californian businessmen will attempt to 'influence' the Capitol Hill's decision in the event GSP preferential tariffs are removed for Argentina..."

"... 'I believe that Governor Arnold Schwarzenegger does not agree with this.'"

"As a member of the California Chamber of Commerce International Committee, Valderrama acknowledged that one of the purposes of his trip is to bolster greater commercial exchange between Argentina and the US Western coast."

- "California seeks Argentine suppliers"

Valeria Vincent, columnist of business-financial "El Cronista," writes (09/01) "The US expert on investment strategies for municipalities, Carlos Valderrama, emphasized the importance of NGO's participation in the 'successful economic development of municipalities,' while he pleaded for increasing commercial ties between Argentina and the State of California..."

"Valderrama, who was invited by the US Embassy to come to Argentina, held meetings with government officials from the municipalities of Morón, La Plata, Matanza and Rosario."

"Valderrama said 'one of the strategies I recommend for municipalities is that local NGOs should be in charge of the economic development of towns while the public sector can finance the projects.'"

"... Valderrama said he is against the USG modifying the GSP, which benefits several exports from developing countries, among them, Argentina. 'Actions of this kind may negatively impact Californian industries.'"

"With respect to commercial ties, the expert underscored that commercial exchange between California and Argentina 'is relatively low,' and that national businessmen could have access to the sector of edible products, minerals and leather goods."

- "Investment strategies for local municipalities"

Natalia Labruna, columnist of business-financial "El Cronista," writes (09/01) "With the purpose of promoting trade between municipalities, Carlos Valderrama, representative of the Los Angeles Chamber of Commerce, will analyze possible alliances with local businessmen."

"Valderrama will offer a series of conferences under headline 'Investment strategies for municipalities' in the towns of Moron, La Matanza and finally in the city of Rosario."

"He intends to spread several initiatives currently in place in California. Valderrama pointed out that 'before the '80s, the economic development of regions and cities was in hands of governments, and today we see that the responsibility for the economic development of several cities and municipalities lies in hands of NGOs, and it bears profitable yield.'"

"... Valderrama said he is interested in promoting California's commercial opportunities because most countries 'export to the US Eastern cities'. He asserted that 'Californian businessmen want to sell and invest and that they have no political leaning when it comes to doing business.'"

- "The US seeks more business with municipalities"

Business-financial "Ambito Financiero" reports (09/01) "Carlos Valderrama, member of the Los Angeles Chambers of Commerce and consultant to the Los Angeles mayor, said 'it would not be a good idea that the USG changes the GSP. We in California and Los Angeles will do whatever it takes for this not to happen. I do not have the authority to speak on behalf of Governor Arnold Schwarzenegger, but I am sure he must also be interested in not changing this regime.'"

"Carlos Valderrama was invited by the US Embassy to come to Buenos Aires to build bridges between the towns of Rosario, Moron, La Matanza and the city of Buenos Aires, on the one hand, and Los Angeles and other cities in South California, on the other hand."

"My purpose is to share some economic development programs that

were performed in Southern California with Argentina.' 'Before the '80s, development was in the hands of the governments. Ever since, it has been in the hands of the private sector and NGOs.' 'Argentina's business with California is minimal vis-à-vis what could be done. Last year, Argentine exports to California were barely 100 million dollars. This is a small amount bearing in mind that California's economy is as big as Argentina's.'"

- "Cristina praises integration between Argentina and Venezuela"

Conservative "La Prensa" reports (09/01) "First Lady Cristina Fernandez de Kirchner asserted that 'the integration experience between Argentina and Venezuela is an example for the region' and she considered that the hemisphere was 'devastated' by neo-liberal policies of the '90s."

"... The integration experience between Argentina and Venezuela is an example for the region not only in terms of indebtedness but also agricultural and commercial cooperation."

"In the same line, Cristina Kirchner concluded that 'the region has been devastated by the neo-liberal practices of the '90s in the framework of the Consensus of Washington,' and 'the outcome of this has been real social havoc in South America.'"

"... The Argentine First Lady underscored that 'integration should not only be economic or commercial, but essentially political, in terms of infrastructure and energy resources.'"

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MATERA